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C O N F I D E N T I A L AIT TAIPEI 001292

STATE FOR EAP/TC
STATE PASS USTR FOR STRATFORD AND ALTBACH, TREASURY FOR
OASIA/WINSHIP AND PISA, NSC FOR LOI, COMMERCE FOR
4431/ITA/MAC/AP/OPB/TAIWAN, USDA FOR FAS/OSTA BLUM, BEAN,
AND DAWSON; FAS/OCRA RADLER, BURDETT, AND POOL; FAS/OFSO
SALLYARDS; APHIS/IS AND VS; AND FSIS/HARRIES

E.O. 12958: DECL: 11/02/2019

TAGS: ECON EAGR ETRD PGOV PREL TW

SUBJECT: TAIWAN CONSIDERS LEGISLATIVE AMENDMENT TO RESTRICT
SOME U.S. BEEF IMPORTS

REF: TAIPEI 1285 AND PREVIOUS

Classified By: Bill Stanton, AIT Director, for reasons 1.4 (b) and (d).

¶1. (C) SUMMARY: In the wake of yesterday's official promulgation of enhanced import measures under the U.S.-Taiwan beef protocol (reftel), KMT and DPP legislators agreed in principle to amend the Food Sanitation Act in a way that could restrict some U.S. beef imports. Although details are still unclear, the proposed legislation, to take effect after November 17, would restrict imports of beef offal, ground beef, spinal cord, and other controversial beef products. A senior legislator assured AIT that the legislation would ultimately not affect U.S. beef imports, and there are some indications that it might apply only to countries with cases of BSE. Media coverage focused on factual coverage of the November 2 promulgation of new import measures, as well as debate over calls for a public referendum on beef safety. Taipei municipality moved ahead with new food labeling requirements to include beef, while Taichung opted for a less stringent voluntary program. END SUMMARY.

LY Drafts Restrictive Beef Import Law

¶2. (C) According to the offices of six Legislative Yuan (LY) members representing the KMT and DPP, caucus leaders from both parties today agreed to vote on a draft amendment to the Food Sanitation Act before November 17. Although different legislators and staff members offered varying accounts of the draft amendment, it appeared designed to restrict imports of beef offal, ground beef, spinal cord, and other beef products whose safety is doubted by the Taiwan public. The amendment would reportedly apply to all beef imports, although one LY staff member told us that it would only affect countries in which there are active cases of BSE.

KMT Legislators Offer Assurances

¶3. (C) National Security Council (NSC) Secretary General Su

Chi contacted the Director to express Ma administration concern about the draft amendment, which Su said the DPP had forced KMT legislators to accept by means of a threat to block the December 5 elections. KMT legislator Huang Yi-jiau disagreed, however, telling poloff that the DPP amendment was substantively identical to one he had proposed. KMT legislator Lin Yu-fang assured Pol Chief that the amended Food Sanitation legislation would be crafted so that it did not cover beef imports from the U.S. His comments were echoed by a staff member from the office of KMT Whip Lin Yi-shih, who asserted that the LY would not ask the administration to ban U.S. beef imports in violation of the bilateral protocol. Lin Yu-fang agreed to raise U.S. concerns with LY Speaker Wang Jin-pyng and keep AIT posted of any developments.

DPP Seizes on the Beef Issue

¶4. (C) Ho Pei-san, a DPP staff member in the LY, noted that DPP leader Tsai Ing-wen planned to ally the DPP with NGOs in calling for a public referendum on beef safety. Ho described the beef controversy as a "gift from heaven" for the DPP in the run-up to the December 5 local elections.

Media Coverage Continues

¶5. (SBU) The Taiwan media continued to provide extensive coverage of the beef issue. There were two beef editorials on November 2. The low-circulation, English-language Taipei Times was critical of a referendum on beef safety proposed by the Consumer Foundation NGO, noting that the Foundation lacked the scientific data to pursue such an initiative. An editorial in the Liberty Times, the Taipei Times' more widely-read Chinese-language sibling, was supportive of the referendum proposal. Various media also carried factual reports about the November 2 press conference held by Minister of Health Yaung (reftel).

Cities Adopt Various Labeling Measures

¶6. (SBU) A Taipei municipal official told us that the city had asked 15,000 retail food vendors to provide source-of-origin labels for beef and other food products. Taipei health authorities would begin inspections from November 9, and retailers who did not use source of origin labels and then failed to correct the problem would be liable for fines of between NT \$20,000 (US \$625) and NT \$100,000 (US \$3,125). A health official in Taichung, Taiwan's third-largest city, reported that the municipality was encouraging all beef vendors to provide source-of-origin labels. There were no punitive measures, however, for vendors who failed to provide source-of-origin information.

¶7. (C) COMMENT: The beef issue has become increasingly politicized in Taiwan's political hothouse, and both the nature and status of the proposed beef amendment remain fluid. We will continue to urge both sides of the aisle to implement the protocol as agreed, and to avoid undermining Taiwan's negotiating credibility through relentless politicization of the beef issue. In the meantime, we are bracing for potential fallout from the November 2 Washington Post report that two U.S. deaths may have been attributable to e coli in ground beef. Via e-mail, we will provide Washington agencies with a translation and initial comments on the Department of Health's November 2 beef import quarantine and inspection management rules. END COMMENT.